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FM AMEMBASSY MANAGUA
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INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS MANAGUA 002581

SIPDIS

STATE FOR WHA/CEN, EB/IFD/OIA AND L/CID
STATE FOR WHA/EPSC
STATE PLEASE PASS TO USTR
TREASURY FOR INL AND OWH

SENSITIVE
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E.O. 12958: N/A
TAGS: [EINV](#) [ECON](#) [USTR](#) [KIDE](#) [NU](#)
SUBJECT: NICARAGUA: PROPERTY SUPERINTENDENT REJECTS CLAIMS FOR A
LACK OF EVIDENCE

REF: A) MANAGUA 2442 B) MANAGUA 2324 C) MANAGUA 2494 D) MANAGUA

2006

¶1. (SBU) Summary: During the November 29 monthly Working Group meeting on property issues, Government of Nicaragua (GON) officials gave Econoffs a list of 8 American citizen claims allegedly resolved and 18 claims rejected for "lack of evidence." Property Superintendent Yara Perez repeated assertions made at previous meetings that many American citizen claimants had engaged in "improprieties" in pursuing compensation from previous governments, but again failed to present evidence. The GON continues to refuse our requests to meet on specific claims. GON officials appear intent to resolve American citizen claims according to their own criteria and timetable, and limit our involvement in the process. End Summary.

GON PRESENTS FIRST LIST OF REJECTED AMERICAN CITIZEN CLAIMS

¶2. (SBU) During the November 29 monthly Working Group meeting on property claims with Econoffs, Property Superintendent Yara Perez Calero, three officials from the National Confiscations Review Commission (CNRC), and the head of the Office of Assessment and Indemnification (OCI) gave Econoffs a list of 26 cases that the GON considered "resolved." According to the list provided, the GON settled 8 cases by compensating claimants with indemnification bonds (BPIs). Following through on a stated objective in the October 25 Working Group meeting (Ref A), GON officials said that they had rejected the 18 claims because the claimants (a) could not prove they had owned the property in question, (b) could not prove that the GON had ever expropriated the property, and/or (c) had failed to present the necessary documentation.

¶3. (SBU) Econoffs protested the CNRC's dismissal of the 18 American citizen claims, arguing that the prospect of dismissal should have been discussed first in the Working Group, which is the forum for such issues, not summarily dismissing them. Econoff asked Perez for more time to review the cases and contact American citizen about the pending dismissal of their claims. Perez told Econoff that once notified, American citizen claimants have ten days to appeal the decision to the CNRC. Claimants who have not designated an official address in Nicaragua have ten days from publication in the local newspapers of the CNRC's decision to appeal. American citizen claimants may also appeal to the Attorney General's Office. If rejected, American citizen claimants may elect to pursue their case in court.

¶4. (SBU) Econoffs pressed Perez for more time to review the GON's decisions to dismiss claims. Perez assured us that she would give us time to review the 18 dismissals, but that our review would not be an open-ended process. Econoff asserted that many claims require patience and flexibility on the part of the GON because they are complex and we need time to review the cases with the claimants.

GON ALLEGES CORRUPTION

¶5. (SBU) Throughout the meeting, Perez and other GON officials alleged that some claimants had received "more compensation than they deserved" because they had overvalued their assets. Perez also alleged that, in some cases, American citizen claimants had recovered their property and still managed to receive BPIS, constituting double restitution. She lambasted the previous Chamorro, Bolanos and Aleman administrations for "fostering" lawyer-mafia networks to manipulate OCI and CNRC decisions in favor of their clients. The Ortega administration would resolve cases according to the law, Perez asserted. Econoff asked Perez to share any information that she has on such practices, and cautioned about generalizing without showing any evidence (Ref B).

GON REFUSES TO INCREASE ITS INTERACTION TO RESOLVE CASES OR DISCUSS POLICY MATTERS

¶6. (SBU) Econoff told Perez that the Embassy's Property Office wanted to increase the frequency of our meetings on an informal basis with GON officials to resolve the 675 registered American citizen claims. Econoff explained that unless the Embassy and GON work together to resolve these outstanding cases, it will remain a drag on resources for both sides and a point of contention in our bilateral relationship. Perez said additional meetings were not necessary and would only interfere with the GON's ability to work on claims. However, Perez was open to meeting directly with American citizen claimants to discuss their claims. Econoff welcomed this offer, but emphasized that the Embassy must also be an integral part of this process to ensure that cases are resolved in a fair and transparent manner for American citizen claimants.

¶7. (SBU) Until recently, the GON had also been unwilling to meet our DCM to discuss policy concerns related to the resolution of property occasions. On three occasions, the Embassy Property Office requested meetings for the DCM with Property Superintendent Perez and/or Attorney General Hernan Estrada to discuss policy statements made by Perez about the prioritization of cases for natural-born American citizens over those of naturalized American citizens, and about plans to summarily dismiss Embassy-registered claims (paragraphs 2-4). The DCM finally met with Perez on December 10 to discuss these and other issues (septel).

¶8. (SBU) Comment: GON officials seek to "resolve" Embassy-registered American citizen claims by any means possible and according to their own timeline/strategy, and they want to limit the Embassy's involvement in the process. On several occasions during the meeting, Property Superintendent Perez said the GON will resolve all property claims within 18-24 months, reiterating again the stated goal of the Ortega administration to wrap up all cases, including American citizen claims, within two years (Ref C). Of concern to us is that while the administrative process accelerates, GON officials want to limit their engagement with the Embassy as much as possible so that it can resolve American citizen claims according to their own criteria. We will make clear to this administration that unless the GON works with us to resolve Embassy-registered cases, property claims will inevitably become a more contentious issue in our bilateral relationship. End Comment.

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